

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3640-02
Bill No.: HB 1572
Subject: Retirement - State; Retirement Systems and Benefits State Employees
Type: Original
Date: March 5, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	\$0	(\$760,663)	(\$760,663)
Highway Fund		(\$94,500 to \$147,500)	(\$94,500 to \$147,500)
Total Estimated Net Effect on <u>All</u> State Funds	\$0	(\$855,163 to \$908,163)	(\$855,163 to \$908,163)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

The **Joint Committee on Public Employee Retirement** would indicate that the substitute would not create a “substantial proposed change” in future plan benefits as defined in Section 105.660(5). Therefore, no actuarial cost statement is required for this legislation.

Officials with the **Missouri State Employees’ Retirement System (MOSERS)** assumes the proposal, would, if enacted, generally allow for a greater amount of service credit related to unused sick leave than is presently the case. Currently, when a member retires, the unused sick leave balance, in hours, is divided by 168 to arrive at the number of additional months of service credit the member will receive – any hours remaining from this calculation are disregarded. Under the proposed legislation, members would receive one day of additional service credit for each 8 hours of remaining sick leave. Based on projected June 30, 2002 payroll of \$1,901,658, 593, the annual increase in contributions to MOSERS would approximate \$760,663.

Officials with the **Missouri Highway and Transportation Employees and Highway Patrol Retirement System (HRS)** assume enactment of this would result in additional contributions to MoDOT and the Highway Patrol retirement system. On average, the proposal, if implemented, shows retiring employees will receive an additional 5 days of creditable service.

Estimated annual cost of this legislation:

	<u>Range Of</u>	
MoDOT	<u>\$ 70,800</u>	<u>to \$118,000</u>
Patrol		
Non-Uniformed	\$ 9,600	to \$ 16,000
Uniformed Patrol	<u>\$ 14,100</u>	to <u>\$ 23,500</u>
	<u>\$ 23,700</u>	<u>\$ 39,500</u>

The cost is based on annual payroll levels of:

MODOT	\$236 Million
Non-Uniformed Patrol	32 Million
Uniformed Patrol	47 Million

ASSUMPTION (continued)

Increased contribution rates of:

		<u>Range Of</u>	
MoDOT	0.03%	to	0.05%
Non-Uniformed Patrol	0.03%	to	0.05%
Uniformed Patrol	0.03%	to	0.05%

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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GENERAL REVENUE FUND

<u>Cost</u> - Increase in Contributions to MOSERS	\$0	(\$760,663)	(\$760,663)
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ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>(\$760,663)</u>	<u>(\$760,663)</u>
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HIGHWAY FUND

<u>Cost</u> - Increase in Contributions to HRS	\$0	(\$94,500 to \$147,500)	(\$94,500 to \$147,500)
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ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>\$0</u>	<u>(\$94,500 to \$147,500)</u>	<u>(\$94,500 to \$147,500)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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	\$0	\$0	\$0
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

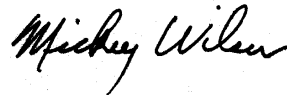
DESCRIPTION

Under current law, members of the Missouri State Employees' Retirement System and members of the Highway and Transportation Employees' and Highway Patrol Retirement System receive service credit for sick leave only in increments of one month for each 168 hours of accumulated sick leave. This bill permits credit in increments of one day for each eight hours of accumulated sick leave.

The bill also removes the requirement under the old plan, requiring continuous service in order to receive retirement credit for accumulated sick leave.

SOURCES OF INFORMATION

Highway Department and Highway Patrol Employees Retirement System
MOSERS
Joint Committee on Public Employee Retirement



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Acting Director
March 6, 2002